



Delivery Hero

GHG Accounting

Delivery Hero

Accounting methodology 2023

Table of Contents

Common terms and definitions	3
Introduction	6
Reporting Guidelines	6
Reporting Standard	6
Unit of measure	6
2023 GHG Accounting at Delivery Hero	6
Operational boundaries - Introduction	6
2023 Organisational boundaries at Delivery Hero	7
2023 GHG Emission sources	8

Prepared by:

- **Delivery Hero SE**
Oranienburger Straße 70 · 10117 · Berlin · Germany
www.deliveryhero.com

Common terms and definitions

Region

A region describes a part of the world in which Delivery Hero has business activities. Currently the regions include Europe, Latin America (LATAM), Asia-Pacific (APAC) and the Middle East and Northern Africa (MENA).

Entity

An entity describes the brand under which Delivery Hero operates in any given **market**.

Market

A market describes all **entities** of Delivery Hero operating in a specific country.

Delivery

A delivery includes one or more **orders** from any given **vertical**. Depending on the vertical it can be further specified into **marketplace delivery** or **own delivery**.

Order

An order consists of all the items ordered from any given **vertical** by an individual Delivery Hero customer. An order might be delivered in several deliveries (i.e. in the case of large orders).

Item

An item describes the smallest quantity of any good that can be ordered from any given **vertical** on Delivery Hero's platform.

Marketplace delivery (MP)

A Marketplace delivery is a delivery not conducted by a Delivery Hero's entities rider.

Own delivery (OD)

An own delivery is a delivery conducted by a Delivery Hero's entities rider.

Stacking value

The stacking value represents the number of **orders** 'stacked', into a single **delivery**.

Vertical

A vertical is a business line of Delivery Hero that serves a specific client need. This can be either a **Platform**, a **kitchen**, a **Dmart**, a **Vendor** or a **Couriers**. In addition, the Korean brand "Woowa" has three unique vertical types (Baemin-specific).

Restaurant (Platform)

A traditional (i.e. physical and public) restaurant offering the possibility of placing orders via Delivery Hero's platform in addition to its traditional business model. Orders may be delivered by the restaurant's employees themselves or be compiled by the restaurant's employees and handed over to a rider to deliver to the customers.

Kitchens

Concept kitchen

Delivery Hero Concepts are virtual brands that are franchised out to external food operators (i.e. "Own Operated Kitchen") or existing restaurants. Delivery Hero's entities own the brands (e.g. trademark, menu

creation) and provide the recipes. Orders can be delivered by Delivery Hero's entities riders or by other riders (i.e. both MP and OD).

Virtual/Cloud kitchen

A virtual or a cloud kitchen is a leased kitchen area that is rented out to external food operators, in return for rental and other income. There are two types of cloud kitchens:

- **Spaces kitchen** – Cloud kitchens operated by Delivery Hero's entities excluding food preparation (i.e. Gen 1 kitchens). Orders can be delivered by Delivery Hero's entities riders or by other riders (i.e. both MP and OD).
- **Own Operated Kitchen** – Cloud kitchens operated by Delivery Hero's entities including food preparation; selling Delivery Hero's Concepts brands only (i.e. Gen 2 kitchens).

Virtual restaurant

A virtual restaurant is a food brand developer with its own food preparation amenities, compiling meals (or parts of it) that are consecutively shock-frosted and sent off to traditional restaurants or virtual kitchens where they are defrosted and finalised on demand via orders from Delivery Hero's platform. Orders are compiled by the restaurant's or virtual kitchen's employees, handed over to a rider and delivered to the customers.

Dmart

A Dmart¹ is a retail or distribution centre intended exclusively for online purchases of a range of products from categories including, but not limited to, snacks, beverages, grocery and household and personal care products. Orders are compiled by the Dmart employees, handed over to a Delivery Hero's entities riders and delivered to the customers (i.e. only OD). Contrary to the third party vendors, Delivery Hero is acting as a principal (and not only as an agent) in this instance.

Vendors

Vendors are third-party stores (e.g. pharmacies, flower shops, supermarkets, etc.) that offer the possibility of placing orders via Delivery Hero's platform in addition to its traditional business model. Orders can be delivered by Delivery Hero's entities riders or by other riders (i.e. both MP and OD).

Couriers / On-Demand-Riders (i.e. Delivery-as-a-Service)

Transport services, e.g. delivering a document from A to B.

Baemin Restaurant Supply (Korea)

Baemin Restaurant Supply is a B2B service available in Korea (i.e. Woowa) intended exclusively for online purchases of a range of products from categories including, but not limited to, food ingredients and products, packaging and kitchen equipment. Orders are compiled and delivered to the restaurants by third party suppliers (fulfilment centre).

Baemin Brand Store (Korea)

Baemin Brand Store is a B2C service available in Korea intended exclusively for online purchases of own merchandise from categories including, but not limited to, stationary items, clothes, accessories and books. Orders are compiled and delivered to the customers by third party suppliers (fulfilment centre).

¹ In some countries or brands within Delivery Hero's operational control, these stores can be named differently (e.g. Bmart for Woowa), but are accounted for under the name Dmart for consistency.

Baemin Academy (Korea)

Baemin Academy is an online and offline capacity-building service available in Korea (i.e. Woowa) intended exclusively to provide restaurant owners and entrepreneurs skills on diverse topics including, but not limited to, restaurant business, cooking, finance and legal.

B-Robotics (Korea)

B-Robotics is a service that allows restaurants to rent/buy service robots.

Introduction

Watershed, an enterprise sustainability platform, supports Delivery Hero with defining its GHG (i.e. “greenhouse gas”) methodology and with the GHG accounting of Delivery Hero’s emissions. Watershed’s methodologies and emission factors undergo updates and third-party review that results in a statement of limited assurance twice per year. These updates include incorporating newer data, improving the granularity of measurement approaches, and creating custom methodologies to assist customers with needs outside the standard sector guidance.

This document includes a high level overview of the methodology used to measure the 2023 carbon footprint of LATAM, MENA, APAC and the European entities in order to monitor Delivery Hero’s progress toward its emissions reduction targets and disclose its carbon footprint as part of the 2023 Non-Financial Report.

Reporting Guidelines

Reporting Standard

Delivery Hero’s GHG accounting and reporting procedure is based on the [‘The Greenhouse Gas Protocol: GHG Protocol: A Corporate Accounting and Reporting Standard – Revised Edition’](#) (GHG Protocol) and the complementary [‘Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard’](#) – the most widely used international accounting tools for government and business leaders to understand, quantify, and manage GHG emissions.

Unit of measure

The standardized unit type, tCO₂e (tonnes of carbon dioxide equivalent), is used as defined in the GHG Protocol. tCO₂e is a unit describing the global warming potential of different greenhouse gases as if they were all CO₂. The overall carbon dioxide emissions (i.e. the carbon footprint) is calculated and expressed by multiplying the absolute emissions of each of the seven greenhouse gases by their global warming potential (GWP) value.

2023 GHG Accounting at Delivery Hero

Operational boundaries - Introduction

Under the GHG Protocol, emissions are divided into direct and indirect emissions. Direct and indirect emissions are divided into three scopes:

Scope 1 (Direct Emissions)

Scope 1 includes all carbon emissions that can be directly managed by the organisation (direct GHG emissions). This includes the emissions from the combustion of fossil fuels in stationary and mobile sources (heating facilities on office premises, cars and others), carbon emissions generated by chemical and physical processes, as well as fugitive emissions.

Scope 2 (Indirect Emissions)

Scope 2 includes indirect GHG emissions from the generation of electricity, steam, heat or cooling purchased from external energy providers by the reporting entity.

Scope 3 (Indirect Emissions)

Scope 3 includes the remainder of indirect emissions that are a consequence of the reporting entity’s business activities.

2023 Organisational boundaries at Delivery Hero

The following brands were included in the 2023 carbon footprint measurement:

- APAC:
 - **Foodpanda** (Bangladesh, Cambodia, Hong Kong, Laos, Malaysia, Myanmar, Philippines, Pakistan, Singapore, Taiwan, Thailand, DH APAC²)
 - **Baemin** (Korea, Vietnam)
 - **Tabsquare**³ (Australia, Indonesia, Malaysia, Singapore)
- Europe:
 - **foodora** (Austria, Czech Republic, Denmark, Finland, Germany⁴, Hungary, Norway, Slovakia, Sweden)
 - **DHSE**⁵ (Germany)
 - **Smunch**⁶ (Germany)
 - **Honest Food**⁷ (Germany)
 - **foody** (Cyprus)
 - **efood, Alpha Distribution (efood)**⁸, **Inkat (efood)**⁹ (Greece)
 - **Instashop**¹⁰ (Greece)
 - **Mr. Room Service** (Monaco)
 - **Glovo** (Andorra, Armenia, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Italy, Kazakhstan, Kyrgyzstan, Moldova, Montenegro, Poland, Portugal, Romania, Serbia, Slovenia, Spain, Ukraine, Ghana, Ivory Coast, Kenya, Morocco, Nigeria, Tunisia, Uganda)
- LATAM:
 - **PedidosYa** (Argentina, Bolivia, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Uruguay, Venezuela)
 - **Hugo** (El Salvador¹¹, Honduras, Jamaica¹²)
- MENA
 - **Talabat** (Bahrain, Egypt, Iraq, Jordan, Kingdom of Saudi Arabia¹³, Kuwait, Oman, Qatar, United Arab Emirates)
 - **Hungerstation**¹⁴ (Kingdom of Saudi Arabia)
 - **Instashop** (Bahrain, Egypt, Lebanon, Oman, Qatar, United Arab Emirates)
 - **Yemeksepeti** (Turkey)
 - **Carriage**¹⁵ (Qatar)

² foodpanda APAC regional headquarters in Singapore.

³ Tabsquare offers restaurant management and customer engagement platforms, both as a software (e.g. CRM) and as an Hardware (e.g. SmartKiosk for self service in restaurants).

⁴ Operated as an "Innovations hub" - service that is available only to Delivery Hero employees with limited deliveries areas in Berlin.

⁵ Delivery Hero's headquarters in Berlin.

⁶ Smunch is an online Canteen that delivers lunch to offices' employees.

⁷ Honest Food operates as a virtual restaurant.

⁸ Alpha provides wholesale/warehousing and distribution services, including retail products procurement.

⁹ Dmarts, kiosks and other physical stores are operated under Inakt, some as franchises.

¹⁰ InstaShop is a MENA brand that operates also in Europe (Greece).

¹¹ Migrated to PeYa in the beginning of 2023.

¹² Closed at the end of April 2023.

¹³ Closed in June 2023

¹⁴ Including DH KSA

¹⁵ Closed at the end of H1 2023.

2023 GHG Emission sources

The following table displays all the relevant emission sources for Delivery Hero's 2023 GHG accounting and the methodology used to calculate its carbon footprint:

Scope	Activity/Category	Description	Calculation methodology
Scope 1 GHG emissions from sources owned or controlled by the company	Stationary combustion	Fuels consumption for owned heating systems	Calculations based on primary input data (if available). If consumption data is not available, benchmarks for fuel consumption per floor area by building type and fuel type breakdown by location are applied as secondary activity data to estimate consumption
	Mobile combustion	Emission from the usage of leased or owned vehicles	Emissions are calculated by multiplying fuel use or distance by relevant emission factors (i.e. "EFs"). If primary data is not available, representative data is being used for distance traveled by vehicle class
	Fugitive emissions	Hydrofluorocarbon (HFC) emissions from refrigerants	Refrigerant leakage is estimated based on building floor area using government benchmarking tools. Refrigerant quantities are multiplied by their 100-year GWP
Scope 2 Electricity indirect GHG emissions	Purchased electricity, steam, heat and cooling	Purchased energy consumption at sites under operational control	Calculations based on primary input data (if available). If consumption data is not available, benchmarks for consumption per floor area are applied to estimate consumption. Renewable electricity purchases and clean energy programs are also considered in the calculations. Electricity emissions are calculated using both a market-based and location-based approach consistent with the GHG Protocol Scope 2 guidance
	Company-owned electric vehicles	Emission from the usage of Delivery Hero's owned electric vehicles	Emissions are calculated based on electricity use data or vehicle class, distance traveled, and location data. If primary data is not available, representative data is being used for distance traveled by vehicle class
	Category 1: Purchased Goods and Services	Upstream (i.e., cradle-to-gate) emissions from the production of purchased products. Products include both goods	Emissions are calculated based on spend data collected for all expenses during the measurement period. The spend is aggregated by

Scope	Activity/Category	Description	Calculation methodology
Scope 3 Indirect GHG emissions created by Delivery Hero's activities but owned / controlled by another	<i>Operating expenses & Groceries and shop products for Dmarts</i>	(tangible products) and services (intangible products)	each accounting category to get the total spend, which is then mapped to the most accurate spend-based EFs Groceries and shop products are physical goods that are being sold at Delivery Hero's Dmarts. The mass of these purchased products are partially available. When appropriate, mass data is being used instead of spend data to calculate the carbon footprint of these goods
	Category 1: Purchased Goods and Services: <i>Own packaging & Restaurants packaging</i>	Upstream (i.e. cradle-to-gate) emissions from packaging procured directly by Delivery Hero and distributed to the different verticals (e.g. branded bags) and from restaurants food packaging	Total weight per packaging material is being collected. In case primary data is not available, weight is being estimated based on packaging surveys (for restaurants packaging) or representative data of similar packaging items. The packaging materials are then mapped to the most accurate activity-based EFs
	Category 1: Purchased Goods and Services: <i>Cloud services</i>	Emissions from third-party cloud providers	Emissions are calculated based on cloud spend data. Public carbon emissions disclosures from Amazon, Google, and Microsoft are being used to calculate detailed, vendor-specific emissions for cloud spend with those companies
	Category 2: Capital goods	Upstream (i.e. cradle-to-gate) emissions from the production of purchased capital goods	Emissions are calculated based on spend data collected for all capital expenses during the measurement period. The spend is aggregated by each accounting category to get the total spend, which is then mapped to the most accurate spend-based EFs
	Category 3: Energy-related Activities	Fuel- and Energy-Related Activities (FERA) not included in Scope 1 or Scope 2 emissions are calculated for well-to-tank (WTT) and transmission and distribution (T&D) losses, where relevant ¹⁶	Emissions are calculated based on the same data used for Scope 1 and Scope 2 (for fuels, electricity, and transportation)

¹⁶ WTT emissions represent the upstream emissions associated with extraction, refining and transportation of primary fuel sources, while T&D losses represent electricity or district heat/steam losses during transport from the energy producer to the end user

Scope	Activity/Category	Description	Calculation methodology
<p>Scope 3</p> <p>Indirect GHG emissions created by Delivery Hero's activities but owned / controlled by another</p>	<p>Category 4: Upstream Transportation and Distribution</p>	<ul style="list-style-type: none"> Emissions from transportation and distribution of products purchased in the reporting year, between Delivery Hero's tier 1 suppliers and its own operations in vehicles not owned or operated by Delivery Hero Emissions from third-party transportation and distribution services purchased by Delivery Hero, including inbound logistics, outbound logistics and distribution between a company's own facilities 	<p>Emissions are calculated based on upstream logistics related expenses or activity data (i.e. origin & destination / distance and the goods weights), including transportation mode (i.e. rail, air, sea, or ground). Logistics expenses are aggregated by category to get total spend, which is then mapped to the most accurate spend-based EFs. When activity data is available, the distance is multiplied by the weight of goods transported and by the relevant EF for the mode of transport</p>
	<p>Category 5: Waste</p>	<p>Emissions from daily waste from offices, and Dmarts (including disposal of spoiled/unsold products)</p>	<ul style="list-style-type: none"> Emissions from offices waste are being estimated based on the number of employees commuting in each location Emissions from Dmarts non-shrink operational waste are being estimated based on an area-based waste intensity calculated using 2022 sample data Emissions from food shrink are calculated based on Watershed's standard food waste methodology. Emissions from non-food shrink are calculated by converting spend to weight and then assuming all kg of waste is municipal solid waste
	<p>Category 6: Business travel</p>	<p>Emissions from business flights, hotels stays, ground transportation and other travel activities</p>	<p>Emissions are calculated based on activity-based or spend-based data collected for all business travel activities in the measurement period:</p> <ul style="list-style-type: none"> Spend-based data is aggregated by each category to get the total spend, which is then mapped to the most accurate spend-based EFs Emissions from air travel based on activity data are calculated by multiplying the total mileage by the relevant EFs based on mileage bucket and (if available) class of passenger Emissions from hotels stays based on activity data are calculated by multiplying the number of hotel nights with the country specific EFs

Scope	Activity/Category	Description	Calculation methodology
<p>Scope 3</p> <p>Indirect GHG emissions created by Delivery Hero's activities but owned / controlled by another</p>	<p>Category 7: Employees commuting</p>	<p>Emissions from employee commute to and from work and emissions from home office</p>	<ul style="list-style-type: none"> • The methodology for employee commuting involves estimating the number of employees commuting in each location. The global average of commute modes from Delivery Hero's 2022 commute survey, in addition to data from governments, is being used to estimate average commute mix and distance for each location. This data is then applied to the total number of commuting employees in each location to determine miles traveled by each commute mode. Relevant EFs are then applied to calculate the emissions • Energy consumption from home offices is calculated by estimating the size of an employee's home based on regional averages. Energy use intensity benchmarks are applied to estimate total energy use, and a portion of this is assumed to be attributable to working from home
	<p>Category 8: Upstream leased assets</p>	<p>Scope 1 and 2 emissions from the use of shared office spaces</p>	<p>Emissions are calculated based on the same inputs and approach as described in Scope 1 & 2</p>
	<p>Category 9: Downstream transportation and distribution</p>	<p>Emissions from the deliveries of sold products from Dmarts (i.e. own deliveries)</p>	<p>Emissions are calculated by multiplying total distance per mobility mode by relevant EFs</p>
	<p>Category 10: Processing of sold products</p>	<p>Emissions from processing of sold intermediate products by third parties (e.g., manufacturers) subsequent to sale by the reporting company. Intermediate products are products that require further processing, transformation, or inclusion in another product before use by the end consumer</p>	<p>N/A - excluded</p>

Scope	Activity/Category	Description	Calculation methodology
Scope 3 Indirect GHG emissions created by Delivery Hero's activities but owned / controlled by another	Category 11: Use of sold products	Emissions from the deliveries of food and goods from restaurants, vendors and other verticals, not including Dmarts (i.e. own deliveries and marketplace deliveries)	Emissions are calculated by multiplying total distance per mobility mode by relevant EFs
	Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> • Packaging - Downstream (i.e., gate-to-grave) emissions from packaging procured directly by Delivery Hero and distributed to the different verticals (e.g. branded bags) and from restaurants food packaging • Dmarts food waste - End-of-life emissions from the disposal of Dmarts products by the customers 	<ul style="list-style-type: none"> • Packaging - Total weight per packaging material is being collected. In case primary data is not available, weight is being estimated based on packaging surveys (for restaurants packaging) or representative data of similar packaging items. The packaging materials are then mapped to the most accurate activity-based EFs per disposal method. If disposal methods are not reported, the DEFRA Households disposal methods shares are assumed. • Dmarts food waste - emissions are calculated based on spend data in four relevant food categories (dairy, meat, fruit/vegetable, and other food). The spend is then converted to weight, multiplied by the assumed fraction that will become food waste (17%), assigned to global average disposal pathways, and finally multiplied by the corresponding EFs
	Category 13: Downstream leased assets	Scope 1 and 2 emissions from the use of kitchens	Emissions are calculated based on the same inputs and approach as described in Scope 1 & 2
	Category 14: Franchises	Scope 1 and 2 emissions from stores and Dmarts that operate by 3rd parties under Delivery Hero's branding	Emissions are calculated based on the same inputs and approach as described in Scope 1 & 2
	Category 15: Investments	Scope 1, 2, and upstream Scope 3 emissions for each asse	Emissions are calculated based on the following collected data: list of industry, revenue, investment volume, company value, and outstanding amount. The calculation methodology is based on PCAF ("Partnership for Carbon Accounting Financials")